

To: House Local Government Committee
From: Michigan Association of Broadcasters
Re: Support HB 5560

Michigan Association of Broadcasters Supports House Bill 5560

The Michigan Association of Broadcasters appreciates the committee's hard work on HB 5560 – it results in good public policy of open access, government transparency, and creates options for those who provide public notices that fits their individual community's needs.

Current Michigan public notice requirements are antiquated laws without vendor or marketplace competitive pressures. Many of the public notice laws were established when printed newspapers were the only public media available. The cost of public notices is determined by a monopolistic and outdated business model that often comes from a single source provider. Many markets no longer even have daily newspapers and many newspapers charge a subscription fee to access their websites. As a result, millions of dollars of taxpayers' money are paid at all levels of government each year on public notices that reach a declining number of individuals.

Technology changed the way people access information. We now use multiple media platforms in finding information we need. House Bill 5560 recognizes this and provides alternative publication methods that are cost-effective and technologically advanced.

MAB believes that public notices should be published in a media for which there is **no charge** to the consumer to obtain. We believe that local TV and radio stations, and their websites, offer a competitive choice in the public notice distribution process that includes daily on-air promotion of the public notice to build the audience for the notices and promote transparency.

More people spend time with radio and television daily than all other forms of media **combined**. According to a Nielsen report published in February 2014, 242 million Americans listen to radio. This represents 92% of the adult population in the United States. According to the same report, television remains the number one media platform for video consumption, with 97.2% of Americans turning to TV for their local news, programming, entertainment and emergency notification. On average we spend 4+ hours per day watching television.

Broadcasters' websites are proven to be among the most popular for breaking news, weather, school closings, emergency information, and other reports. These websites are continuously updated, available 24/7 and are always free to our citizens. Additionally, broadcasters already adhere to the strict reporting and archiving requirements, mandated by the Federal Communication Commission, and are well positioned to serve as repositories for public notices.

HB 5560 recognizes the value of the local broadcasters and their websites to public notice distribution. No longer does one media appeal to all consumers. It is time for healthy competition for the public notices. Michigan Association of Broadcasters believes that radio and television media companies with their websites, mobile apps, texting programs and social media platforms are well suited to publish and promote public notices.

2014 Position Paper on Public Notice Reform

Michigan Association of Broadcasters

EXECUTIVE SUMMARY

Michigan's public notice requirements are antiquated laws without vendor or marketplace competitive pressures. Many of the public notice laws were established when printed papers were the only public media available. These requirements, which often identify publishing of public notices as "publish in the local newspaper" have no quantitative basis other than the "general circulation" of one media. The cost of public notices is determined by a monopolistic outdated business model and often from a single source provider. Many markets no longer even have daily newspapers.

No other government product or services are handled in this manner. In fact, the State of Michigan prohibits single sources for state procurement.

Millions of dollars of government and taxpayer moneys are paid at all levels of government each year on public notices. Even the 2013-14 House Republican Action Plan, under the section, on page 19, entitled, "A Government of the People" in bullet point number four states that the legislature should: *"Provide new options for public notices: State law requires public meetings to be advertised in the local newspaper to promote transparency. However, the changing media landscape makes this requirement outdated and costly for already-struggling businesses. State law should encourage each community to find the best way to inform the public for cost-savings and improved transparency."*

Governor Snyder has been quoted several times stating that Michigan should encourage competition in every industry to come up with modern, forward moving solutions that saves money and provides customer service to our citizens instead of playing favorites.

By its own declaration, the state believes that Public Notices must be posted where people can see them to encourage transparency in the way the government does business.

- The MAB and its members strongly support transparency of government.
- Technology allows multiple avenues in obtaining and distributing information through various media outlets such as the wireless, Internet, radio, television and newspaper. State law should reflect these improved methods of communication by identifying alternative publication methods that are cost-effective and technologically advanced.
- There should be no financial barriers to bidding on Michigan business. All public notices should only be published in media for which there is no charge to the consumer to obtain them.
- Less than 10% of the U.S. population views a local, state or federal government website daily. (May 2009 release of U.S. Census Bureau, Annual Estimates of Resident Population).
- According to surveys by the Pew Research Center for the People and the Press, only 40% of Americans reported reading a newspaper in any form, either print or online, in 2010. One in ten adults (10%) say they never read a daily newspaper.
- More people spend time with radio and television daily than all other forms of media combined.
- Radio and television reach 99.9% of the population each week.
- Broadcasters' websites are proven to be among the most popular. More people view the websites of broadcasters, in all age demographics, according to a TVB (Television Bureau of Advertising) study conducted in 2012.
- The Michigan Association of Broadcasters wholeheartedly agrees that the best place for public notices is on the Internet. The Internet, however, is a large and confusing place, information may not be found and it could reduce quality bids on projects, products and services.

We simply suggest that the State of Michigan should open public notice publication to all forms of media, and that municipalities should be free to choose to utilize their own website and at least one additional form of media for listing the notice. They should also be required to promote that website in any outside media that fits their budget and their community.

We purport that the monopolistic approach of choosing only newspapers as the exclusive repository of public notices is bad government. It limits the number of citizens that can easily view the notices and promotes winners and losers by tying the hands of the government entities and municipalities to do the most cost efficient form of publication that reaches the most people.

We further suggest, and would support legislation, that opens up the publication of public notices to other popular sources of media. We agree that the income loss may be significant for local papers; however, all media have had to adjust to the impact of new competition with more to come every year. The economic impact on one industry alone should not be the deciding factor in moving forward with a new plan to make public notices more accessible to the public and build a truly transparent "Government of the People."

Contacts:

Karole L. White
President /CEO
Michigan Association of Broadcasters
517-484-7444
karolewhite@michmab.com

Elena Palombo
Government Relations Manager
Michigan Association of Broadcasters
517-484-7444
palombo@michmab.com

Rob Elhenicky
Kelley Cawthorne
517-371-1400
relhenicky@kelley-cawthorne.com